

CALIFORNIA MARKETING PROGRAMS

WHAT ARE MARKETING PROGRAMS?

The purpose of marketing programs is to provide agricultural producers and handlers an organizational structure, operating under government sanction, which allows them to solve production and marketing problems collectively that they could not address individually. Current marketing programs' activities include commodity promotion, research, and maintenance of quality standards. Some of the programs carry out all three authorized activities while others carry out only one or two, depending on the needs of each respective industry. While an authorized activity, none involve volume control nor cooperative price establishment (which is specifically prohibited by law). These organizations provide a structure for solving problems and also provide a vehicle for collecting funds to support activities.

The programs are authorized under the California Marketing Act of 1937 and individual sections of statute in the Food and Agricultural Code. State law requires that the California Department of Food and Agriculture oversee all State marketing programs. Each marketing program is governed by a board made up of industry members. Some boards also have public members.

Marketing programs are industry initiated and usually do not go into effect without approval by an industry vote. Since all industry members stand to gain from a marketing program's activities, all affected producers and/or handlers of each commodity are required to abide by the marketing program's statutory provisions and share the cost of funding the program's activities.

WHAT DO MARKETING PROGRAMS DO? WHO BENEFITS FROM THEM?

The activities of marketing programs have changed over the years. Early efforts were directed primarily toward the management of surpluses, commodity grading and unfair trade practices. Today, research and promotion are the major activities of most marketing programs. These programs fund and conduct a diverse range of research projects such as the biological control of pests and diseases, reduction of environmental damage, water use efficiency, improved production practices, development of new products and uses, nutritional education for consumers, and promotions in both domestic and global markets. A few programs also establish quality standards and support inspections to assure that quality levels are maintained.

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These activities benefit consumers as well as agricultural producers and handlers because marketing programs help stabilize market forces and provide an environment that result in an abundant supply of affordable, high quality food, fiber, and material.

California is, by far, the number one agricultural producer and exporter in the United States. No other state in the union even comes close. In 2006, the farmgate value of traditionally tracked agricultural commodities covered by State marketing programs was approximately \$20 billion; representing 65% of California's \$32 billion agricultural industry.

The State is unique among the major agricultural regions, and the industry is notable for its size, diversity, innovation, and efficiency. Marketing programs contribute to the prosperity of the State's renowned agricultural industry.

HOW DID MARKETING PROGRAMS COME ABOUT?

Early in the State's history, California agriculture produced commodities for local markets. With the construction of transcontinental railroads in the late 1800's, California farmers increased production to serve rapidly expanding eastern U.S. markets. By the 1930's, when the Great Depression developed, demand for these products dwindled and the market for farm products became unstable. In 1937 the Legislature passed the California Marketing Act to bring stability to agricultural markets.

The Act declared that the inability of producers to maintain markets or develop new ones for their commodities, as well as a lack of uniform grading standards, prevented farmers from earning a fair return. And this, in turn, jeopardized the production of food for the nation. The Legislature believed that the prosperity of agriculture was essential to the general health and well-being of all Californians. The marketing program concept enabled producers and handlers of commodities to work together in solving some of the agricultural industry's problems.

Since 1937 the Marketing Act has been amended several times and other statutes authorizing marketing councils and commissions have been adopted to accommodate the dynamic nature of California agriculture.

HOW MANY MARKETING PROGRAMS ARE THERE? WHO PAYS FOR THEM?

Today, there are 56 active State marketing programs representing over 50 agricultural commodities. Of those 56 programs, 28 are marketing orders and 4 marketing agreements operating under the Marketing Act, while 21 are commissions and 3 are councils operating under individual enabling legislation.

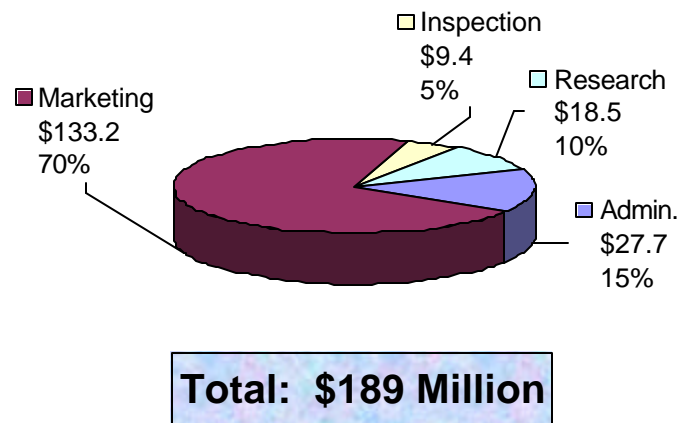
Marketing programs are entirely self-supporting. The industry pays operating costs, including the costs of government oversight. There are no subsidy payments to producers or handlers from general State tax sources and no general tax funds are used to support marketing program operations. Although only industry money is used to capitalize these programs, the taxing power of the State is used to collect these funds. State oversight is provided to assure that each marketing program operates in the public interest.

WHAT IS THE ROLE OF THE MARKETING BRANCH?

The Marketing Branch of the Division of Marketing Services of the California Department of Food and Agriculture carries out the State's responsibility in overseeing the administration of each marketing program. This supervision is to assure the industry and the public that each program is being handled according to legislative intent and in the public interest.

The Marketing Branch evaluates the need for implementation, amendment, and continuation of marketing programs. Branch representatives assist the programs in planning and implementing their activities. The Marketing Branch enforces the terms of marketing programs and the mandatory collection of assessments.

ALLOCATION OF MARKETING PROGRAM EXPENDITURES FOR 2007



CALIFORNIA MARKETING PROGRAMS

PROGRAM	CURRENT ACTIVITIES	YEAR ESTABLISHED
Alfalfa Seed Production	Research	1973
Apple Commission	Promotion, Research	1994
Artichokes – Globe	Promotion	1960
Asparagus Commission	Promotion, Research	1990
Avocado Commission	Promotion, Research	1978
Dry Bean	Promotion, Research	1970
Beef Council	Promotion, Research	1957
Buy California	Promotion	2001
Cantaloupe	Promotion, Quality Standards	1988
Fresh Carrot	Promotion, Research	1987
Celery	Research	1976
Cherry	Promotion, Research	1993
Citrus	Research	1968
Citrus Nursery	Research, Education	2005
Dairy Council	Promotion, Education, Research	1945
Date Commission	Promotion, Research	1995
Dried Figs	Promotion, Research, Quality Standards, Substandard Pools	1944
Cut Flower Commission	Promotion, Research, shipping methods	1990
Forest Products Commission	Promotion, Education, Research	1990
Garlic & Onion Dehydrators	Quality Standards	1999
Garlic & Onion	Research	2005
Grape Rootstock Commission	Research	1993
Table Grape Commission	Promotion, Research	1968
Kiwifruit Commission	Promotion, Research	1980
Leafy Green Products	Inspection, Unfair Trade Practices	2007
Lettuce/Leafy Greens	Research	1973
Melon	Research	1972
Fluid Milk and Dairy Products	Promotion	1993
Manufacturing Milk and Dairy Products	Promotion, Research	1970
Market Milk and Dairy Products	Promotion, Research	1969
Processing Cling Peaches	Promotion, Research	1996

Program	CURRENT ACTIVITIES	YEAR ESTABLISHED
Pear	Promotion, Research, Quality Standards	1992
Pepper Commission	Research	1988
Pistachio Marketing Agreement	Unfair Trade Practices	2007
Pistachio Research	Research	2007
Plum	Promotion, Research, Inspection, Unfair Trade Practices	1994
Potato	Research	1974
Dried Plum (Prune)	Promotion, Research	1947
Raisin	Promotion, Research	1998
Rice Commission	Promotion	1999
Rice Research	Research, Weather Data Dissemination	1969
Salmon Council	Promotion, Research	1989
Sea Urchin Commission	Promotion, Research	2004
Sheep Commission	Promotion	1999
Strawberries – Processing	Research, Quality Standards, Unfair Trade Practices	1960
Strawberry Commission	Promotion, Research	1994
Tomato – Processing	Quality Standards	1987
Treefruit	Promotion, Research, Inspection, Unfair Trade Practices	2006
Walnut Commission	Promotion	1987
Wheat Commission	Promotion, Research	1983
Wild Rice	Promotion, Research	1986
Winegrape Inspection	Inspection	2005
Lake County Winegrape Commission	Promotion, Research	1991
Lodi-Woodbridge Winegrape Commission	Promotion, Research	1991
Mendocino County Winegrape and Wine Commission	Promotion, Research	2006
Sonoma County Winegrape Commission	Promotion, Research	2006